Cost Analysis Tool – Scenario
Speaker Notes

Course Information

- SFA University has decided to deploy a course entitled *Money Management*. The course will be targeted towards the 5000 financial aid directors, officers, and technicians across the 10 regions of the United States. The delivery strategy for the course will be a classroom-based, two-day session utilizing various instructional strategies. The course will cover a medium level of content at low complexity.

  - **Audience Size: 5000**
  - **Course Type: Classroom**
  - **Length of training course: 2 days**
  - **Learning complexity: Low**
  - **Content volume: Medium**

- There will be 100 sessions of the course, 10 sessions per region. In each region, half of the courses will be held in the RTF and the other half will be held in 3 local hotels. There will be 1 federal trainer, 1 non-trainer, and 1 logistics coordinator for each session. The 10 training officers from the regions will support the efforts, as well as 5 non-federal contractors. 3 logistics coordinators will be available from SFA U headquarters.

  - **Number of sessions per year: 100**
  - **Number of locations: (10 regions * 3 hotels per region = 30) + 1 RTF per region (10) = 40**
  - **Total number of instructors per session: 2**
  - **Total number of federal trainers: 10**
  - **Total number of non-federal trainers: 5**
  - **Total number of logistics coordinators: 3**
  - **Number of federal instructors per session: 1**
  - **Number of non-federal instructors per session: 1**
  - **Number of logistics coordinators per session: 1**
  - **Number of participants per session: AN AVERAGE WILL BE PRE-POPULATED**

Course Design/Development

- The SFA U Money Management training development team (3 people) will support the plan and design phase for 3 months (60 days) and the contractor, ABC, will complete the design phase and build the course materials (240 days).

  - **Number of development team members: 3**
  - **Federal development days: 3*60 = 180**
  - **Name of Contractor: ABC**
  - **Non-federal development days: 240**

- There will be 2 kick-meetings during the development stage. 2 federal employees will have to travel to attend ($8,000) and 1 non-federal employee will attend and will also be responsible for printing and shipping many documents to be edited ($2,500). The contractor ABC will charge $300,000 for their development services.

  - **Federal non-labor development costs: $8,000**
  - **Non-federal non-labor development costs: $2,500**
  - **Non-federal development costs: $300,000**

Course Delivery

- The average cost to rent a hotel space for 2-days in each region is $2500. Equipment will have to be rented for these facilities as well (it is available at the RTF's free). A microphone, Computer, LCD projector, and TV will have to be available in each session. The average fee to rent for 2 days is $500. Finally, all training materials (trainer guide, participant guide, brochures, manuals) will have to be reproduced and shipped. The cost quoted by SFA U logistics experts is $125,000.

  - **Facilities: $2500 * (1/2 the sessions will be offered at hotels = 50) = $125,000**
  - **Equipment: $500 * (1/2 the sessions will be offered at hotels = 50) = $25,000**
  - **Materials = $125,000**

- A 5-day train the trainer course will begin the delivery preparation for the course. Each federal instructor travels 1 day per training session. With an average cost per trainer of $1500 per trip. Non-federal delivery cost has been lumped together in the T.O. as $250,000. Non-federal travel cost will be an additional $150,000.

  - **Federal Instructor prep time = 5**
  - **Federal Instructor travel time per course = 1**
  - **Federal instructor travel cost per session = $1,500**
  - **Non-federal instructor delivery cost = $250,000**
  - **Non-federal travel cost = $150,000**

- Average logistics preparation time per LC includes all (one-time) course preparation. It is anticipated that this will take 7 days. Each logistics coordinator will need to be present 50% of each session. The average logistic coordinator travel cost is $1,500 per person with 1 travel day per session. The overhead costs for all of the RTF's, equipment, LMS, ect. is $75,000

  - **Logistics Coordinator prep time = 7**
  - **Percentage of time LC is present during delivery of course = 50%**
  - **Logistic coordinator travel time per course = 1**
  - **Logistic coordinator travel cost per session = $1,500**
  - **Overhead = $75,000**

Course Finale & Overhead

- Finally, the entire team will reconvene in Washington for a finale. The total cost for the travel, material, and food for all the participants is $50,000. About 20% of Money Management course will need to be updated yearly. After 3 years, the course will be out of date and a new version will need to be developed and deployed.

  - **Finale cost = $50,000**
  - **Update frequency = 20%**
  - **Update frequency = 1**
  - **Replace frequency = 3**